

# Exhibit D

# VOLKSWAGEN

GROUP OF AMERICA

April 29, 2019

**Via Email and US Mail**

Gill Industries, Inc.  
Mr. Gordon Schreur  
Mr. David DeGraaf  
5271 Plainfield Ave. N.E.  
Grand Rapids, MI 49525  
[gschreur@gill-industries.com](mailto:gschreur@gill-industries.com)  
[ddegraaf@gill-industries.com](mailto:ddegraaf@gill-industries.com)

Re: Gill's request for a price increase and contract amendments on April 24, 2019.

Dear Messrs. Schreur and DeGraaf:

This letter follows your letter of April 24, 2019, in which Gill Industries, Inc. ("Gill") requests an increase in the piece price of its parts as well as additional changes to the terms of its contract with Volkswagen Group of America Chattanooga Operations, LLC ("Volkswagen-Chattanooga"). In order to properly evaluate your request we examined Gill's contract with Volkswagen-Chattanooga. Pursuant to Gill's electronic nomination agreement ("eNA") dated January 13, 2016, the eNA and the Volkswagen Group of America, Inc. Production Terms & Condition of Purchase ("Terms") and the eNA are controlling.

Volkswagen-Chattanooga appreciates that you have not categorized your letter as a threat to cease shipments, but rather as a request for relief. This understanding is in line with **Section 18** of the Terms which state Gill, "may not suspend performance of the Order or terminate the Order for any reason." Gill is contractually committed to providing the various production parts until End of Production, and service parts thereafter.

I believe Gill and Volkswagen-Chattanooga have addressed price increases in the past. Most recently, in October, 2018, Gill attempt to force an across-the-line price increase on Volkswagen-Chattanooga. Then Gill rejected Volkswagen-Chattanooga's offer to add Gill's steel to its steel pool to negotiate better prices within our volumes. While Volkswagen-Chattanooga will not negotiate Machine Hourly Rates, Cycle-times, your profit margin, your labor rates, the eNA does contemplate an annual review of Gills' raw material prices, and potential price increases, but requiring the following of Gill:

the quoted material price basis according to your last CBD per metric ton shall be fixed until the end of the calendar year following SOP, regardless of the actual purchase price in the SOP year or the calendar year following SOP. If the prices rise or fall significantly in subsequent years in comparison to the SOP year, steel negotiations shall be held with Volkswagen. The change in material price between the real purchase price in the SOP year and the real purchase price in the year to be negotiated shall be the subject of these negotiations. If more than one metal type please attached price sheet with metal per metric ton price.

Volkswagen Group of America  
Chattanooga Operations, LLC  
8001 Volkswagen Drive  
Chattanooga, TN 37416

# VOLKSWAGEN

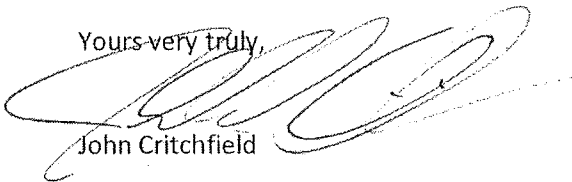
GROUP OF AMERICA

(eNA, Premise Sheet). My understanding is that this request is not merely an early/untimely annual request for a price increase due to material price changes in the market, but rather a request for a 60% average pricing increase from approximately \$3.3M USD in business per year to approximately \$5.2M USD per year! In addition, Gill has also requested "immediate payment terms", "no set-offs", and other rights if Volkswagen-Chattanooga were to act in accordance with its current contract rights.

While we can appreciate your current financial situation, Gill's requests for both price increases and contract amendments are denied at this time. I also do not believe it would be helpful to Gill if Volkswagen-Chattanooga transitioned to another supplier since Volkswagen-Chattanooga would not be willing to waive the legal right to the benefit of its bargain with Gill and would expect Gill to fund a price differential experienced with a new supplier. Lastly, even if Volkswagen-Chattanooga found a new supplier at the same or a lower price for the subject parts, Volkswagen-Chattanooga would not be able to move, set up, and quality test the required tooling.

If you wish to provide additional background data related to your requests, please do not hesitate to contact me.

Yours very truly,



John Critchfield

Cc: Albertina Gianelli  
Megan Herndon  
Todd Kyle

Volkswagen Group of America  
Chattanooga Operations, LLC  
8001 Volkswagen Drive  
Chattanooga, TN 37416